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SUBJECT: ECUADOR - NO PLANS TO JOIN BOLIVARIAN ALTERNATIVE (ALBA)

¶1. (SBU) Summary: Foreign Ministry officials report that the GOE does not plan to join ALBA, citing a lack of concrete, meaningful proposals. Instead, Ecuador plans to focus on the broader Union of South American Nations (UNASUR) organization. Ecuador did not sign an agreement by ALBA members to withdraw from the World Bank's Center for International Dispute Resolution. End Summary.

¶2. (U) Ecuadorian Foreign Minister Espinosa attended the 5th Bolivarian Alternative of the Americas (ALBA) summit in Venezuela the weekend of April 28 and 29. Prior to the conference, Espinosa was quoted in the press as saying the Government of Ecuador (GOE) was "interested" in understanding how ALBA functioned, what its proposals were, and what discussions would take place. However, she also signaled that Ecuador was not part of ALBA, but merely attending to listen and learn. She emphasized that only President Correa could make the decision to join ALBA.

¶3. (SBU) Econoff met on May 7 with the MFA's Director for Integration Humberto Jimenez, who accompanied Espinosa on the trip, to discuss Ecuador's position on ALBA. Jimenez stressed that the GOE had no intention of joining ALBA in the short or medium term, as the group does not offer any concrete initiatives. He said that ALBA was essentially political and there were no firm proposals or projects presented in any area discussed at the summit. He noted that he "did not understand" what ALBA would do.

¶4. (SBU) Instead, Jimenez said, Ecuador would focus on the newly-created Union of South American Nations (UNASUR), a replacement for the South American Community of Nations (CASA, in the Spanish acronym) that has specific proposals and includes all 12 South American countries. CASA's mission was regional integration and its 2004 Cuzco Declaration called for a common parliament, market and currency and sought a political and economic union similar to the European Union. UNASUR plans to be a political decision-making organization and also seeks regional integration. Quito has been selected as the location of the permanent secretariat of the organization, and a former Ecuadorian president is being considered as the head of the secretariat.

¶5. (SBU) UNASUR already has working groups set up that are working on projects in the five key focus areas of energy, infrastructure, education, social policy, and finance, Jimenez reports. In infrastructure, the priority is South American infrastructure integration focusing largely on connecting highways. Member country energy ministries are working on an energy integration plan that they will present in October or November at the next UNASUR summit. Financing priorities include setting up the Banco del Sur, a bank to provide regional financing.

¶6. (SBU) Jimenez also confirmed that Ecuador did not sign the Bolivia proposal that ALBA countries withdraw from the International Center for the Settlement of Investment Disputes (ICSID), a World Bank arbitration forum.

¶7. (SBU) Comment: Jimenez's comment that Ecuador does not plan to join was reiterated by his boss, U/S Fernando Yepez. We suspect that these career diplomats are reflecting current GOE policy. That said, this decision will not ultimately be driven by the technocrats. This appears to represent President Correa's calculus at this time, but we would not rule out a change of position in the future. End Comment.

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